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## ABSTRACT

The differences and similarities between education and the private sector are analyzed as they both engage in efforts to fundamentally restructure their operations. To bridge the cultural gap between business and education, a workable strategy that advances direct and sustained private-sector involvement in education reform is proposed. Part 1 of this paper identifies fundamental concerns shared by business and education that leaders in both education and the private sector can use as a springboard from which to reach a common ground. These include: (1) knowing where you are going: rethinking mission; (2) downsizing: doing more with less; and (3) centralizing or decentralizing: doing things better. Part 2 presents a conceptual framework that business and education leaders can use together to tackle key organizational issues currently confronted by school systems. A key part of this conceptual approach is the comprehensive, systematic analysis that business leaders use in reorganizing their companies. The value of such an analysis in business and in educational reform is outlined. (18 references)  
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# Supporting Leaders for Tomorrow

REACHING COMMON GROUND:  
ADVANCING BUSINESS  
PARTICIPATION IN  
RESTRUCTURING EDUCATION  
Occasional Paper #6

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**REACHING COMMON GROUND:  
ADVANCING BUSINESS  
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RESTRUCTURING EDUCATION  
Occasional Paper #6**

Peggy M. Siegel and Eugene R. Smoley, Jr.

The Institute for Educational Leadership, Inc.  
Edna McConnell Clark Foundation  
April 1989

## PREFACE

The Institute for Educational Leadership (IEL) with the support of the Edna McConnell Clark Foundation has been exploring the evolving relationship between the public schools and the business community. IEL has been particularly interested in examining the extent of business involvement with and commitment to resolving the complex issues pertaining to educational reform.

As we pursue these important issues, we would like to share our information with interested parties from the worlds of business, education, and government. The enclosed Occasional Paper #6, Reaching Common Ground: Advancing Business Participation in Restructuring Education, written by Peggy M. Siegel and Eugene R. Smoley, Jr., of Cresap Management Consultants, is an insightful analysis of the differences and similarities between education and the private sector as they both engage in efforts to fundamentally restructure their operations. The authors propose an interesting strategy through which there can be more direct and sustained private sector involvement in the education reform and restructuring movement.

This paper represents the sixth in a series of Occasional Papers on Business-Education Relationships which IEL has been disseminating nationally. We would welcome your reactions.

**William S. Woodside**  
Former Chairman and  
Chief Executive Officer  
Primerica Corporation  
Chairman, IEL Board of Directors

**Michael D. Usdan**  
President  
The Institute for Educational  
Leadership

April 1989

Why aren't business leaders more involved in improving the structure and operations of school systems?

Consensus exists on the need to restructure school systems. And business leaders from all types of industries have themselves experienced restructuring in their own firms. Yet when it comes to basic decisions about how to improve the organization and operation of schools, business leaders are seldom consulted. Business leaders and education leaders are assumed to operate in different environments. Therefore, they act differently in initiating organizational change. The results are two-fold:

On the one hand, business leaders are frustrated and perhaps somewhat intimidated by school restructuring issues. They don't want to assume responsibility for running school systems. Nor do they feel that they have the necessary expertise to improve teaching and learning. Yet business leaders are critical of what they see as education's inefficiencies when compared to their own organizations - the inability of managers to make tough personnel decisions; the public and visible nature of decision-making, often politically motivated; the absence of clearly defined performance measures and accountability systems; and the protracted period needed to implement changes that yield tangible improvements.

On the other hand, education leaders are wary of private-sector input in restructuring decisions. They believe that business leaders do not understand the "uniqueness" of school systems. And they question the sincerity of private-sector commitment to improving education when some business interests have traditionally opposed higher taxes for public services, including schools.

Most business-education partnerships, although worthwhile, have existed at the margin of educational reforms - adopting schools; furnishing teachers with support, training, or equipment; and providing jobs or college scholarships to students. Or they occur at the front end of the reforms, with creation of blue ribbon task forces to propose and/or lobby in support of new education initiatives.

The lack of private-sector participation in school restructuring is regrettable and potentially threatens continued business support of public education. Business represents expertise which, if properly tapped, can help school systems improve their organization and operations. Business is a community resource that can help schools gain public support - both financial and programmatic. Without more meaningful participation, business is likely to lose interest in improving public education and withdraw critically needed support.

The purpose of this paper is to help bridge the cultural gap between business and education by proposing a workable strategy that advances direct and sustained private-sector involvement in education reform. Part I identifies several fundamental concerns, shared by business and education, that leaders from both fields can use as a springboard from which to reach a common ground. Part II presents a conceptual framework within which business and education leaders, together, can tackle the key organizational issues currently confronted by school systems.

## I\*

Parallels between education and the private sector can be drawn at the most basic levels. For example, schools can be compared to companies, principals to unit managers, superintendents to CEOs, and school boards to boards of directors. Students and parents are certainly consumers of educational services. Taxpayers are major shareholders, and improvements in student achievement can be likened to increased net worth.

The parallels between Corporate America and American Education, however, are much more compelling than reflected by these simple comparisons. In attempting to make improvements, leaders from both worlds confront the same fundamental issues, namely:

Rethinking mission  
Doing more with less  
Doing things better

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\*This section is adapted and condensed from "Restructuring Education: Parallels with the Private Sector," prepared for the National Governors' Association, March 1988.

## Knowing Where You're Going: Rethinking Mission

"You've got to be very careful if you don't know where you are going," warned baseball great Yogi Berra, "because you might not get there." To avoid getting lost, many U.S. companies are taking a careful look at where they have been and where they want to go.

Particularly in today's competitive environment, the organizational mission is becoming less a lofty statement of good intentions or apple pie, and more a set of policies increasingly consumer-driven and results-oriented. Mission is being operationalized.

A 1986 Cresap/American Productivity Center survey of CEOs from 71 major U.S. corporations revealed that nearly half of their organizations had changed significantly in character and structure in the previous five years. Seven were involved in mergers. Twenty-one had been completely reorganized. And almost two dozen - representing industries as diverse as banking, transportation, and public utilities - were coping with new competition in the wake of regulatory changes.

Although self-examination is often painful, the consequences of inaction are far worse. Companies that fail to define their central purpose and act on that knowledge may simply not survive. A firm's decision to restructure - whether by altering the roles of and relationships between employers and employees, centralizing or decentralizing decision-making, hiring or contracting out for services, acquiring or divesting units, or rewarding or releasing employees - is generally made in the context of rethinking the purpose of the business it is in.

For education, the link between mission and organization is equally critical. To meet the needs of an increasingly diverse student population, education seeks to attract highly motivated and skilled individuals into the profession. And in much the same way as corporations, school systems must provide opportunities that enable their employees to exercise decision-making authority without becoming frustrated by ineffective organizational structures and procedures.



## Downsizing: Doing More With Less

No longer dominant in the global marketplace, beset by an uncertain international economy, and challenged by advancing technologies, American companies are relearning how to compete. In the process, they are restructuring the way they do business.

Restructuring is often cast as the effort to get "mean and lean" by eliminating unnecessary and unprofitable parts. The activities are played out dramatically in the language of mergers and acquisitions, corporate raids, spinoffs, and buyouts, as well as massive layoffs and cost cutting.

At the heart of the major disruptions and dislocations, however, is a concentration by various companies on what they do best. Restructuring becomes a means to this end. Sometimes, management prompts the changes from within. Often, such external factors as corporate raiders or deregulation impose the changes from outside. But always the objective is that a company confront, articulate, and refine its primary purpose. Frequently, this means determining how best to accomplish objectives with fewer resources, including people. Competition compels companies to reduce their workforce, not only to cut costs but also to enhance their ability to respond to changing market needs. In their efforts to become more cost-effective, companies are reducing layers of the corporate hierarchy: they are flattening the organizational pyramid.

The drive to become more competitive is far from over, and the middle manager is a prime target. A 1987 survey reported in *The Wall Street Journal* indicates that three-fourths of the nation's employers may eliminate managerial and administrative positions on top of earlier massive cutbacks in the ranks of hourly workers.

"Downsizing" is taking several forms. In some instances, a company will reduce the number of middle managers through automation or by decentralizing responsibilities. In other instances, rather than maintain people on the payroll, a company will contract out for certain services on an as-needed basis.



According to *Fortune* magazine, most individuals in the disappearing positions provide corporate staff services, such as legal advice or public relations. Or they act as filters or message carriers, serving top management by analyzing field activities or interpreting for employees corporate directives and program changes. In still other instances, enterprises are shedding unproductive units that cut profit margins or impede companies from fulfilling their missions.

These changes are likely to have a profound impact on employees, both inside and outside Corporate America. *The Wall Street Journal* foresees a new kind of "two-tier workforce: the "inside" employee would still enjoy benefits, perquisites, and relative job security. But the new "outside" workers would have an uncertain future. Many would be self-employed or work in small firms serving big corporations on an ad hoc basis.

Even middle managers who survive downsizing cannot afford to relax. They, too, can expect to experience a significant expansion of their jobs, that places greater emphasis on coordinating and exchanging information horizontally and facilitating programs.

In education, parallels with corporate downsizing are already evident. Middle management has its natural counterpart in school district central office personnel. Where districts decentralize responsibilities to each school site and expand teachers' professional responsibilities, the central office may not need as many instructional specialists. As school systems seek to accelerate their decision-making capabilities by flattening their organizational pyramids, they can reduce central office staff. The changes are likely to attract support in state capitols, where governors and legislators are generally sympathetic to paring down administrative overhead. Thus, it is central office personnel in school systems, much like their white collar counterparts in private companies, who are most vulnerable to downsizing and who are most likely to resist it.

#### Centralizing Or Decentralizing: Doing Things Better

Confronting the challenges of restructuring means not only devising ways to do more with less. It also provides an opportunity for organizations to offer the same services

innovatively and more efficiently. The private sector may be hiring fewer people, but it is offering better jobs to fill. As a result, more employees are getting a chance to become decision-makers.

Increasingly, companies are exploring ways to decentralize decision-making. This redefinition of roles and responsibilities can take place at many levels and have many purposes. One purpose is to move responsibility closer to the activity performed. This means determining which functions should be decentralized and which, because of economy of scale and consistency, should remain centralized. It means allowing autonomy in some operating units while integrating them into a company's overall operation. And it means making and executing companywide policies, but decentralizing decision-making and implementation.

Just as the traditional lines of demarcation between labor and management are blurring, so too are the lines of authority between the central administration and the local office or operating unit. The issue of centralization versus decentralization was a major concern among the CEOs of the 71 corporations surveyed. Yet no overall trend or optimal model emerged. Of the 35 largely decentralized companies, only four expect to centralize to become more cohesive. Of the 36 centralized and partially decentralized companies, 22 plan to remain basically as they are now, and 14 anticipate decentralizing further. Most corporations are seeking a balance between the advantages of centralization - scale economies and cross-utilization - and the increased accessibility and accountability achieved by decentralizing staff functions.

The answer to the question of whether and what to decentralize really depends on who in the organization is best positioned to carry out the company's mission. Decentralization should therefore be viewed as a means to an end, not an end in itself.

A parallel in the field of education is the way school districts provide instructional support. Some delegate to the schools responsibility for supervising instruction as well as developing and evaluating curriculum. Principals are then held accountable for demonstrating improvements. Other districts are breaking down the "functional barriers" between instructional areas. Curriculum supervisors work together with school instructional staff across different subject areas and grade levels, to address the instructional needs of each school in a coordinated and comprehensive fashion.

Although there are no hard and fast rules governing decisions on which functions should be centralized or decentralized, it helps to have an organizational context for making them. In assisting private-sector clients with these types of issues, management consultants frequently develop a set of criteria that can be used to array and evaluate organizational alternatives. School districts could use similar criteria to identify functions that should remain in the central office, those that should be delegated to the school level, and those that should be shared. For each alternative, educators would weigh the cumulative impact on the school system. An example of such criteria and their application is presented in the exhibit on the following page.

When organizations decide to decentralize responsibilities, it is important to find out who at the local level is best suited to do what. The mismatch between job responsibilities and the way employees actually spend their time is a problem common to many businesses as well as school districts. For example, in analyzing job responsibilities of their employees, executives of a regional bank were surprised to learn that their corporate loan officers were spending less than ten percent of their time selling the bank's services (their primary responsibility) and a large portion of their time resolving servicing errors, which was in fact the job of other bank employees.

In a 1987 study conducted by the Public School Forum of North Carolina, teams of educators and business leaders analyzed working conditions in the public schools. The teams interviewed school site personnel and reviewed detailed logs kept by 450 teachers, principals, and office staff to determine how they spent their time. They, too, found that both teachers and principals had insufficient time for their primary duties, relating to instruction. Teachers spent only half their time instructing or counseling students. Principals spent only 28 percent of their time planning instructional goals and observing and evaluating staff members.

These types of studies enlighten organizations about the way their resources are deployed and help schools and businesses discover whether their employees' time is being used ineffectively or inefficiently. They may identify duplication of effort or a gap in organizational activity. Or they may uncover the hidden costs of using highly skilled

## Evaluation Of Alternatives

| <i>Criterion</i>  | <i>Current<br/>Organization</i> | <i>Alternative 1<br/>Centralized</i> | <i>Alternative 2<br/>Decentralized</i> | <i>Alternative 3<br/>Shared<br/>Responsibility</i> |
|---|---------------------------------|--------------------------------------|--|--|
| • Streamlines Decision-Making   | —                               | ◐                                    | ○                                      | ◑  |
| • Is Responsive To Consumers And Customers<br>(i.e. students, parents, the community) | —                               | ○                                    | ●                                      | ●  |
| • Promotes Organizational Coordination And<br>Consistency                             | ○                               | ●                                    | ○                                      | ◑  |
| • Simplifies Reporting Relationships And<br>Communications                            | —                               | ◐                                    | ○                                      | —  |
| • Leverages Managerial Skills And Other Key<br>Resources                              | —                               | ○                                    | ●                                      | ◑  |
| • Facilitates Professional Development  | —                               | —                                    | ●                                      | ◑  |
| • Provides For Clear Alignment Of Authority And<br>Accountability                     | —                               | ●                                    | ○                                      | —  |
| • Provides For Effective Interfaces Outside<br>The Organizational Unit                | —                               | ○                                    | ◐                                      | ◑  |
| • Reduces Costs   | —                               | ●                                    | ○                                      | ◑  |

### Legend

 Less Than Adequate In Meeting Criterion    
  Adequate In Meeting Criterion    
  More Than Adequate In Meeting Criterion    
  Outstanding in Meeting Criterion

(Ratings for each alternative are hypothetical )

employees to perform routine tasks. If schools and businesses do not like what they see, they can make the requisite changes. This is an important first step in improving working conditions in any organization.

Two related concepts may lend power to decisions to decentralize in both business and education: *collaborative management*, in which authority is shared up and down the organization; and *rewarding performance*, in which behavior that results in quality products and services is recognized and encouraged. They are a part of the restructuring activities of many industries and school districts.

### Collaborative Management

In the past, if employees were good at what they did, they could often keep their jobs for as long as they wished. Today, jobs are less secure. If a company folds, workers lose their jobs no matter how competent they are. Thus, like their bosses, employees have a direct stake in the company's ability to maintain productivity. They want to know what steps their companies are taking to secure the future. They want to help their companies remain competitive.

Employees who feel their work has an impact beyond the four walls of their own unit, that what they do makes a difference to their company, are likely to maintain quality standards. To foster commitment to quality, employees need to know the big picture - what is working and what is not. They also need to be involved in identifying problems and implementing solutions.

Such cooperation has not been the rule in most industries. Traditionally, management and labor have viewed each other as adversaries. Frequently, management has denounced its employees for decisions or events beyond their control and vice versa. "We've got this really strange thing in our country where we like to blame the American workers for the fact that we're not competitive," asserts billionaire entrepreneur H. Ross Perot. "The worker does not create his product, he doesn't design his product, he doesn't determine how it's put together. All he does is assemble it. All these other things that determine success or failure are done before it gets to him. He doesn't even get to determine how the assembly line works even though he lives there."

Employees in numerous professions contend with comparable situations when trying to justify, to a consumer or client, company policy they had no role in setting. Education has been similarly misdirected in assigning responsibility, notes professor Phil Schlechy: "Frightening though it may be, schools boards and top-level administrators are responsible for assuring that teachers et.al. do the right things. Teachers and principals are only accountable for doing right the things they are expected to do."

Certainly employees should not be judged on the basis of events beyond their control. It is precisely the area of control, however, that is changing. Some managers are providing new opportunities for employees to share in making critical decisions. Responsibilities previously held at corporate headquarters are now shared up and down the organization.

Collaborative management is designed to enable all employees to perform their jobs more effectively. It can also help create a supportive culture inside the workplace, wherein employees perceive their own jobs as an integral part of the whole. Similarly, the challenge for educators is to provide opportunities that will allow principals and teachers to share in decisions that complement rather than compete with their primary responsibilities - those that focus on the classroom.

### Rewarding Performance

The basic premise behind rewarding performance is simple: what gets rewarded gets done. Traditionally, the private sector has recognized its outstanding employees through performance-based salary, bonuses, recognition programs, and/or career development opportunities. The idea of rewarding performance has also taken hold in education. According to the Southern Regional Education Board, 43 states had considered some form of teacher incentive program by late 1987.

The use of pay incentives, however, is less prevalent in industry than commonly assumed. Although white collar workers are usually eligible for some form of performance-based pay, blue collar workers are generally paid a fixed wage. The type of incentive system also depends on the nature of the particular industry. No longer able to promise their best workers positions in middle management or unlimited job security, companies are relying on other ways to reward them; more and more companies are offering their employees group-based incentives. A mail survey of 1,600 organizations representing ten



percent of the civilian workforce (co-sponsored by the Xerox Corporation, the American Productivity Center, the American Compensation Association, and Towers Perrin) revealed that firms are abandoning such traditional practices as straight bonuses in favor of new incentives that tie pay to productivity and quality, increase teamwork, and enhance employee commitment to and involvement in their jobs. The same trend could well emerge in education, by building on the intrinsic rewards of teaching that attract most individuals into the profession.

In seeking to reward their employees, many corporations unwittingly sow the seeds of organizational inefficiency. Frequently, the only way to advance in an organization is to become a manager. This practice discounts precisely the expertise that gained scientists and other technically skilled individuals initial recognition, by requiring them to assume a whole set of new skills - managing people - which they may or may not possess or enjoy practicing. In some cases, this promotional practice creates additional and unneeded management layers, by allowing specialists to perform their old jobs while requiring that they assume limited supervisory responsibilities over a few individuals. School districts confront analogous issues as they weigh the value of career ladders in retaining the best teachers in the profession, without compelling them to become administrators or assume supervisory responsibilities.

The private-sector experience suggests that attracting and retaining talented staff in the central office may also become a problem for school districts. Outstanding staff managers, like their line counterparts, need continuing challenges. Frequently, however, there is no logical promotional path for them. Most CEOs we interviewed felt there were no clear-cut answers to the problem of retaining key staff professionals. One CEO assigned his staff members responsibility for coordinating activities within their areas of specialization throughout the company. Other top executives were experimenting with job rotation to broaden their staffs' experience. Yet many chief executives have concluded that succession planning for key staff jobs is not feasible and are resigned to looking outside the organization for support as the need arises. The costs of staff turnover, while not always apparent, can be substantial.

For example, at one investment firm, financial analysts were leaving because of limited career options. Half the turnover occurred after four or more years of service, when their current jobs had ceased to be challenging and when the only means of



advancement was to become a manager. The average cost of replacing a financial analyst was estimated to be more than \$75,000 - in recruiting, relocation expenses, interviewing, management and analyst time spent on training a new hire, and productivity loss while the individual learned the position. Schools face comparable costs if they do not develop strategies to retain their best employees.

Regardless of the type of pay or other incentive plan an organization adopts, the practice of rewarding performance requires careful implementation. A 1987 Towers Perrin survey of Fortune 500 industrial and service organizations, revealed a widespread problem in communicating the purpose of pay incentives. Although 84 percent of the 359 companies surveyed relied solely on merit to determine pay increases, only 59 percent believed their employees saw a direct link between pay and performance. This finding substantiates a 1983 Yankleovich and Immerwahr study, which reported the belief, held by 73 percent of the workforce, that time and effort spent on the job had little to do with pay. Thus, efforts to reward employees can create a whole new set of problems when managers fail to communicate effectively the link of pay and performance.

Improving performance in both business and education will require a combination of rewards and meaningful employee participation in shaping the way in which organizations execute work. Involving professionals in shared decision-making, offering incentives to reward group performance, and creating jobs that provide new challenges and increased responsibility are concepts that hold much promise for enhancing working conditions and productivity in all types of organizations.

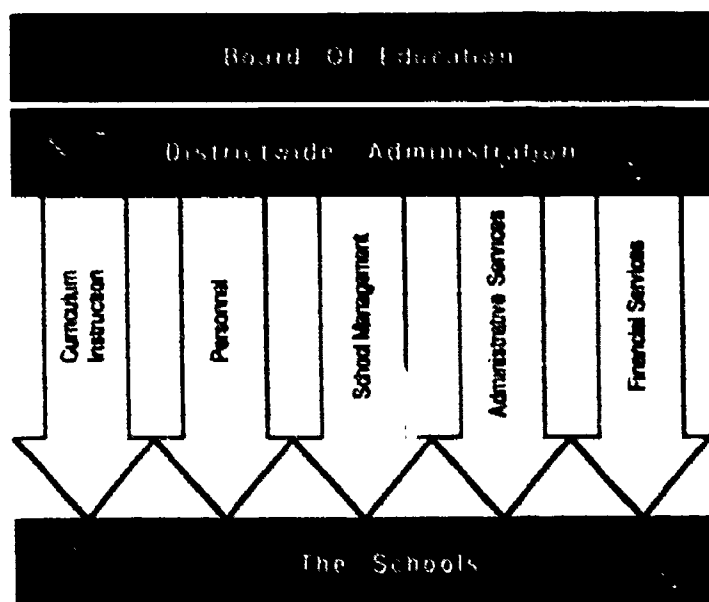
## II

In sum, despite the cultural differences, there is no doubt that education confronts many of the same restructuring issues as does the private sector: matching organization and operations to mission, using resources efficiently, and performing more effectively. Consequently, education leaders may want to explore the conceptual approach business leaders use in reorganizing their companies - a comprehensive, systematic analysis that links mission to both work and results. This additional parallel between business and education has great potential for school restructuring and at the same time can serve as a basis for more substantive business involvement in improving education.

When companies face the need to restructure, they usually do so in a comprehensive fashion, often through a management study. Analyzing the organization as a whole enables business leaders to concentrate on the ways work is done and results are achieved. For example, it allows business leaders to compare and prioritize the value of individual units on the basis of their contribution to the company's mission. Duplication of effort among units can be pinpointed, as can priority services that are insufficiently addressed. The approach also allows business leaders to uncover opportunities to coordinate activities horizontally - across many units - and improve service delivery vertically - from corporate headquarters to regional or local offices.

In restructuring their firms, business leaders often rely on the objectivity and perspective of outside experts. External assistance can discover opportunities for improvement throughout the entire organization that might elude company officials. Objective evaluation also assesses the relative importance of each position to the organization, rather than the characteristics of the individuals who occupy these positions.

School districts can be analyzed in the same comprehensive way as business, by concentrating on how key functions, such as curriculum and instruction or personnel, are performed. Armed with such information, school leaders are better equipped to articulate the functions of each unit in the district and evaluate how well responsibilities are carried out. They can trace delivery of key services, from the district office to the classroom, to determine where staff and resources should be placed. And they can judge how well district policies and procedures that affect the schools are coordinated across different jurisdictions. Functional analysis of a school system can be illustrated as follows:



With few exceptions, school reform has disregarded the value of systematic, comprehensive management analysis. There are a number of explanations for this oversight. School administrators often have more experience with instruction than with management issues. They may not be aware that this type of comprehensive analysis is available or perhaps - most likely - they may fear that politics and vested interests make fundamental structural change impossible. Yet school-site management concepts and effective schools research require a districtwide structure that can provide resources, services, and training to support needed reform. What's needed is far too difficult to accomplish without this type of comprehensive approach.

This is where the private sector can make a central and unique contribution. First, business leaders understand the need for systematic analysis and can provide guidance for a management study. Second, a broad-based task force - sponsored by business and representing community leadership - can work with educators to implement the changes. Task force leadership can create consensus among disparate interests and overcome the political obstacles that many educators now confront.

A systematic approach to school restructuring will establish and strengthen business-education collaboration. Participation in something important to both business and education will help break down the cultural barriers between them. When education is analyzed in this context, business leaders can learn how school systems operate and will begin to appreciate how school districts both resemble and differ from private enterprise. The improvements in school district operations should build business leaders' confidence in education and, in turn, enable them to target support to specific priorities and needs. Such support could be invaluable in reinforcing the commitment of political leaders to financing educational improvements, as well as in neutralizing the potential opposition of taxpayers and business colleagues who may be less inclined to favor increased funding for any public service.

Education reforms do not exist in a vacuum. Yet too often state legislation has been enacted and regulations adopted without sufficient thought to the structure and operation of the organizations responsible for achieving the desired results. After six years of enacting reforms, it therefore comes as no surprise that restructuring has begun to dominate the current education debate. It is now time to include comprehensive,

organizational analysis of school systems in the restructuring efforts. And it is time to provide for more meaningful, long-term business involvement. The intersection of these two activities will enable business-education collaborations to advance the reform agenda and in the process, to achieve their mutual objective of an educated workforce.

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Dr. Peggy M. Siegel has worked for and with state governments for more than 15 years. Before joining Cresap's Washington, D. C., office, she managed the state education policy program for the National Conference of State Legislatures, and served as a senior staff member for the Ohio Legislature. Dr. Eugene R. Smoley, Jr., is a former teacher, principal, and school administrator. As a Vice President of Cresap, he oversees the firm's national education consulting practice and has assisted more than 100 school districts, universities and other education-related institutions with organizational and strategic analysis.

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## ABOUT THE INSTITUTE FOR EDUCATIONAL LEADERSHIP

The Institute for Educational Leadership (IEL) has programs in more than 40 states and is unique among the organizations that are working for better schools. It is a Washington-based nonprofit organization dedicated to collaborative problem-solving strategies for education. IEL works at the national, state, and local levels to bring together resources and people from all sectors of society in a new coalition in support of essential change in schools. IEL works to develop the ideas, leadership, resources, and programs that will enable American education to meet today's challenges, and tomorrow's as well. IEL has four primary components that are the driving forces behind its work. These components are as follows.

1. **Coalition Building: Strengthening Business Involvement in Education** -- The strength and vitality of business can be traced directly to the quality of the education America's young people--and business's next generation of workers--receive in our schools. IEL forms the crucial link between the schools and the business community to establish dialogue that creates an understanding of the common interests of business and the schools. From its position as a knowledgeable but uniquely independent participant in school reform, IEL brings business and education together to strengthen both.
2. **Emerging Trends/Policy Issues: Demographic Policy Center** -- America's demographic changes are in evidence everywhere from maternity wards to advertising campaigns, but nowhere are the challenges of these changes more real or pressing than in America's schools. IEL's Demographic Policy Center, headed by nationally prominent demographic analyst Dr. Harold Hodgkinson, is working to generate greater awareness of the forces reshaping our society and to provide services that will make business and political as well as education leaders more responsive to changing needs.
3. **Leadership Development: A Motivator for Informed and Pace-Setting Leadership** -- IEL sponsors a variety of programs that serve to develop and promote leadership. IEL's Education Policy Fellowship Program gives mid-career professionals the opportunity to explore policy issues and to understand better how policy is influenced. In collaboration with the Education Commission of the States, IEL sponsors the State Education Policy Seminars Program which provides for the exchange of ideas and perspectives among key state-level political and educational policymakers. Through a variety of leadership development services to public school systems, IEL has a learning laboratory to work with school-based staff. IEL and the Office of Educational Research and Improvement, U.S. Department of Education, jointly sponsor the National LEADership Network and work in collaboration with the 51 LEAD centers across the U.S.--with principals, with superintendents, and with other school leaders--to promote leadership in schools.
4. **Governance** -- IEL's governance work focuses on all levels of education policy and management, with the emphasis on performance and action to help local education leaders sort out appropriate roles, responsibilities, and trade-offs. Currently, IEL is working through its School Board Effectiveness Program to develop leadership capabilities and is examining various aspects of local school boards to enhance their effectiveness as governing bodies. IEL's Teacher Working Conditions Project seeks to understand and address the work place conditions and issues which promote or impede teacher effectiveness in urban school systems. This project is part of the overall national effort to professionalize teaching and to gain greater commitment to excellence in learning.

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